



# Q1 2019 Results

April 2019

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# Key Highlights Q1 2019

## 01 Operational activity, a step closer to run-rate

- ✓ 498 new Launched Units. Ramp-up, on track.
- ✓ 520 new Units Under Construction.
- ✓ 57 Delivered Units. In line with Business Plan ramp-up targets.
- ✓ HPA vs CCI: +140 bps / +€39.7 MN

## 02 Financial foundations in place for 2019 activity

- ✓ €14.0 Mn Revenue.
- ✓ 55% Q-o-Q Revenue growth.
- ✓ 27.7 % Gross Margin.

## 03 Turn-key RENTAL project

- ✓ 500 units in framework agreement, worth €71.5Mn– Excellent opportunity to bring forward cash-flows and de-risk Business Plan with land plots where AEDAS has a significant presence.
- ✓ +20% over 2019 target launches.



# Agenda

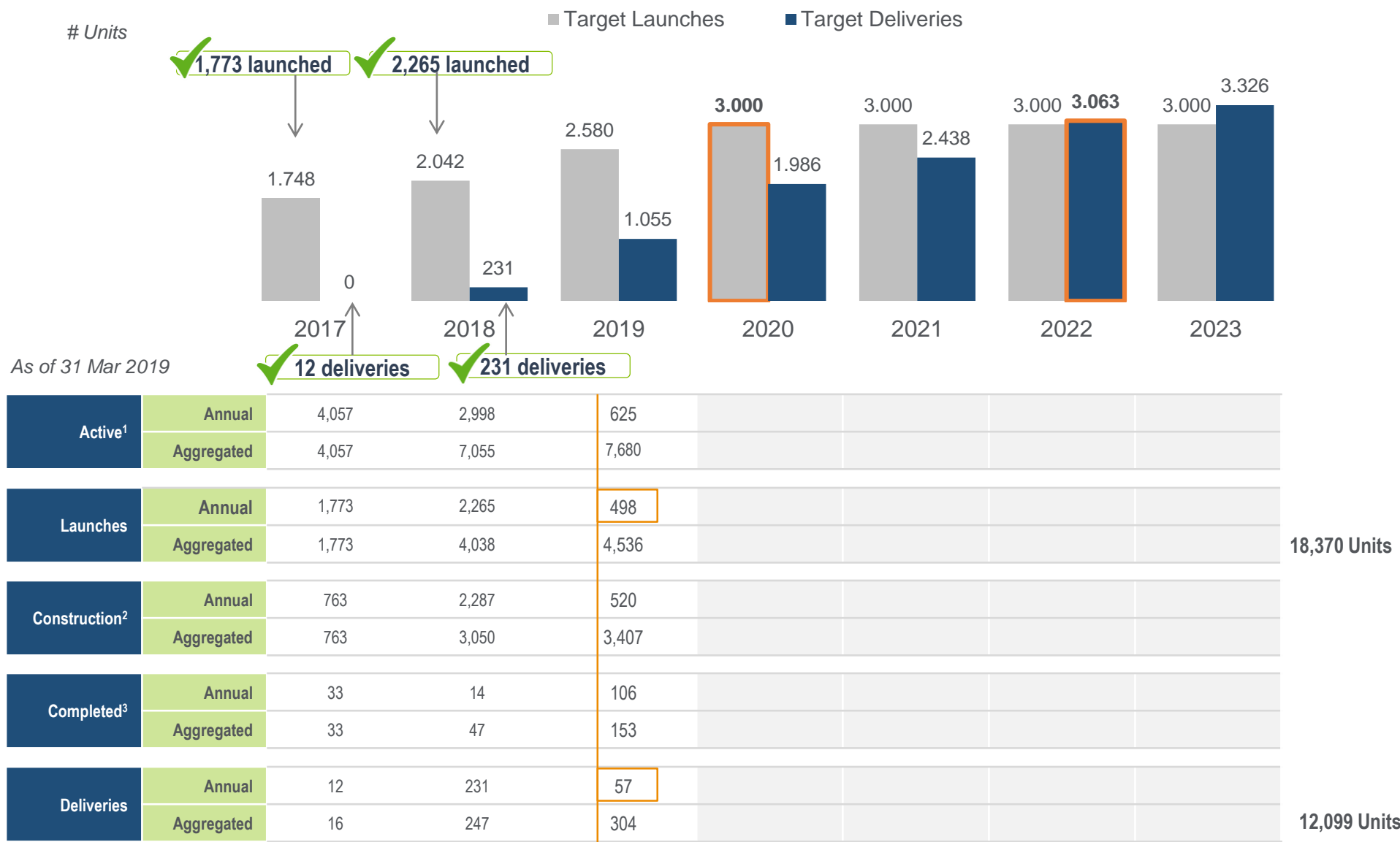


*Marina Real,  
Denia*

**1 Business Update**

**2 Q1 2019 Financial Results**

## Sustainable Housing Development Plan (IPO Business Plan)



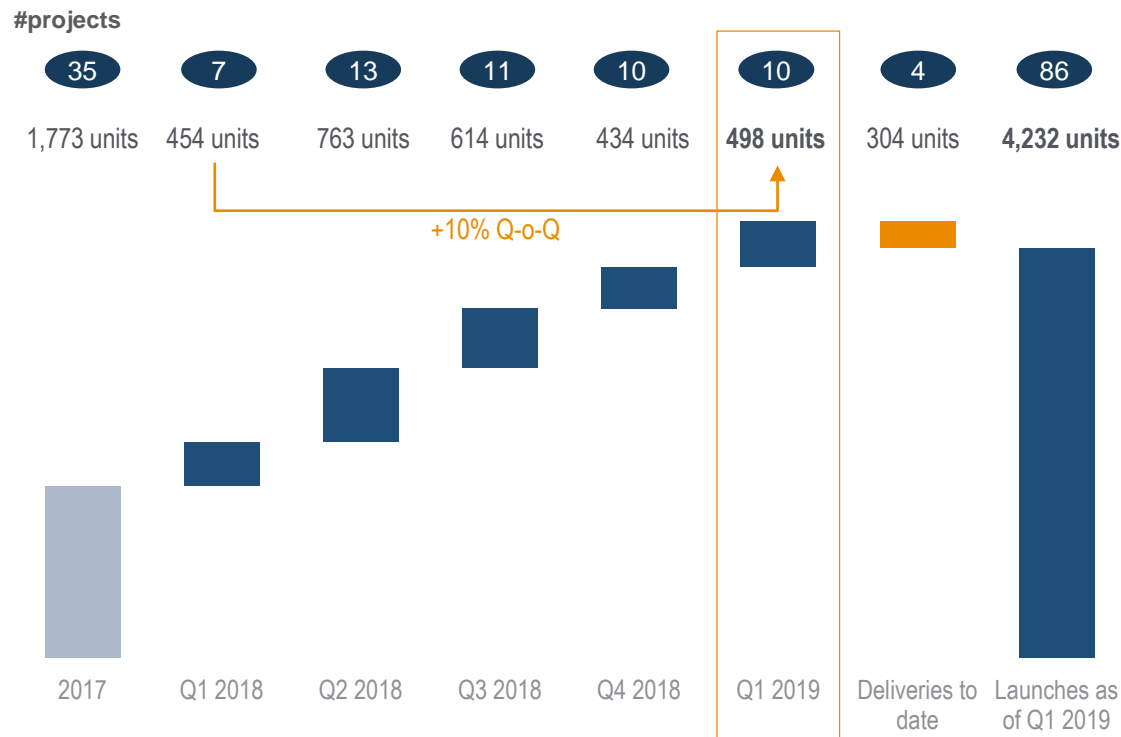
(1) Active units are all units which have entered design phase, up until they are delivered.  
 (2) Units under construction exclude delivered and completed units.  
 (3) Total completed units, yet to be delivered.

**31/03/2019**

**498 units launched<sup>1</sup> in Q1 2019 (GDV: €183 Mn)**

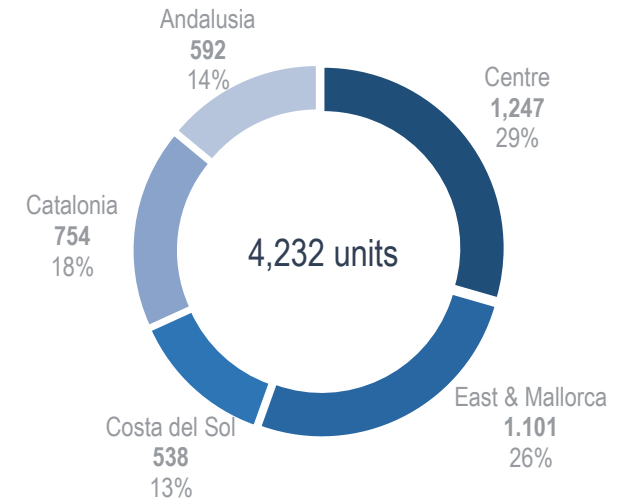
**4,232 accumulated units launched net of deliveries (GDV: €1,590 Mn)**

## Ramp-up activity of projects launched<sup>2</sup> (by # units)



## Launches Regional Breakdown as of 31 Mar 2019

% units

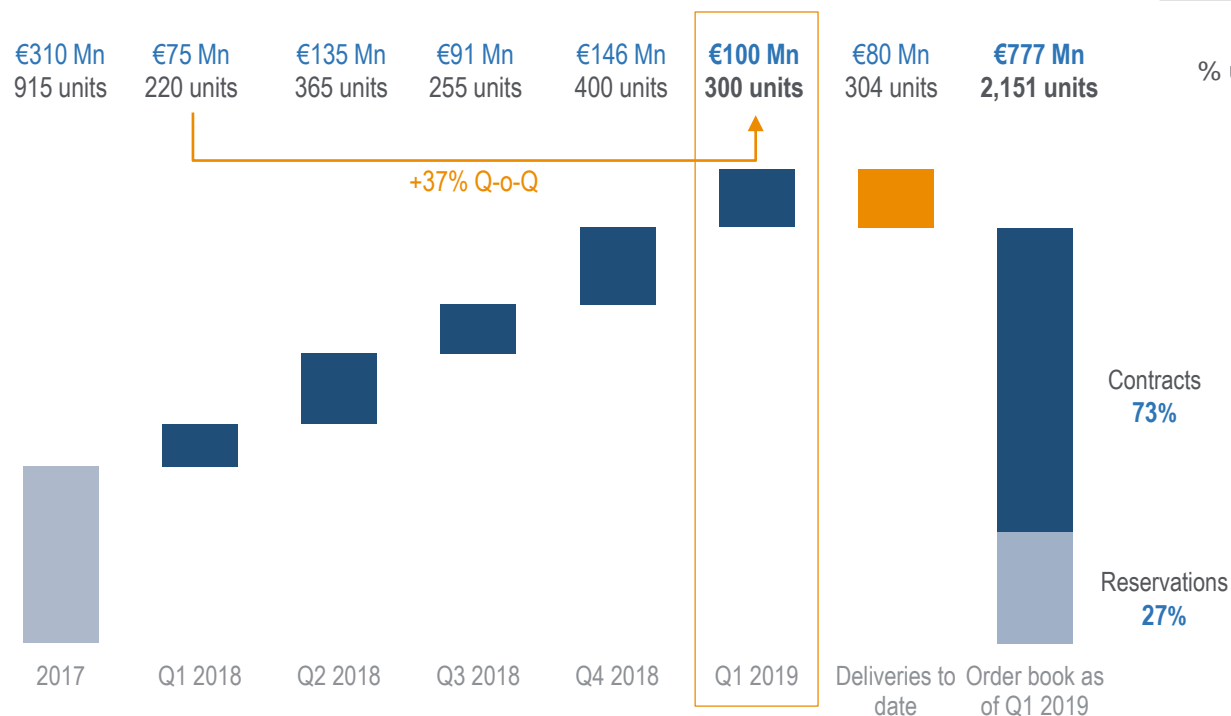


(1) A Project is launched when marketing kicks off  
 (2) Net of deliveries

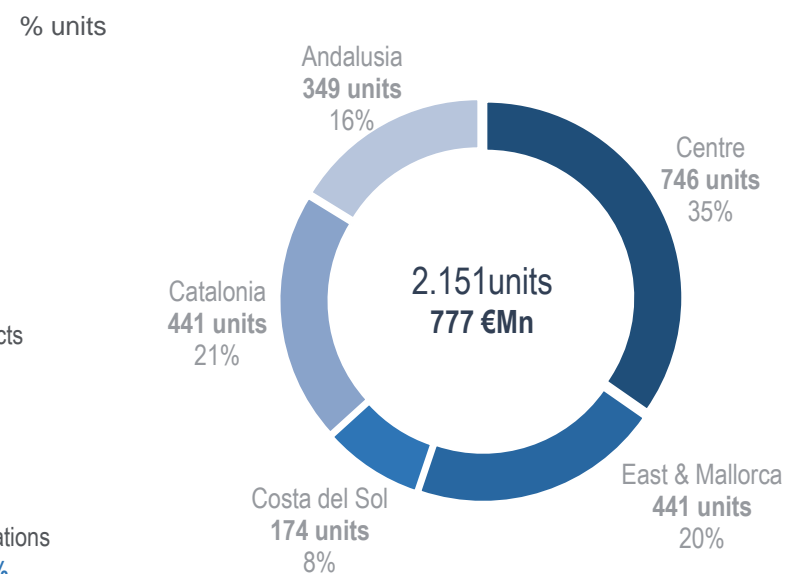
**300 units** sold in Q1 2019 (GDV: €100 Mn)

**2,151 units in order book** (GDV: €777 Mn)

## Sales<sup>1</sup> Evolution in # units & €Mn



## Order Book Regional breakdown as of 31 Mar 2019



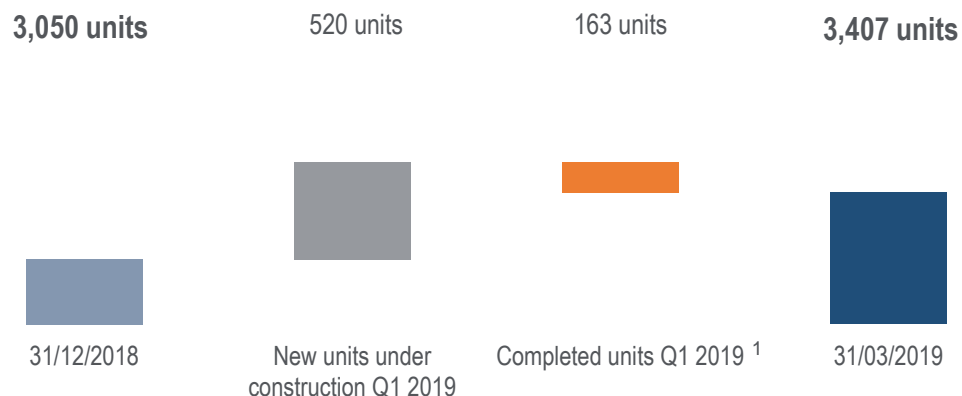
Total sales / total launched portfolio amount to **49% (in €)** & **51% (in units)**

(1) Sales = Reservations + Contracts + Deliveries.

**520 units** started construction in Q1 2019/ **3,407 total units** under construction

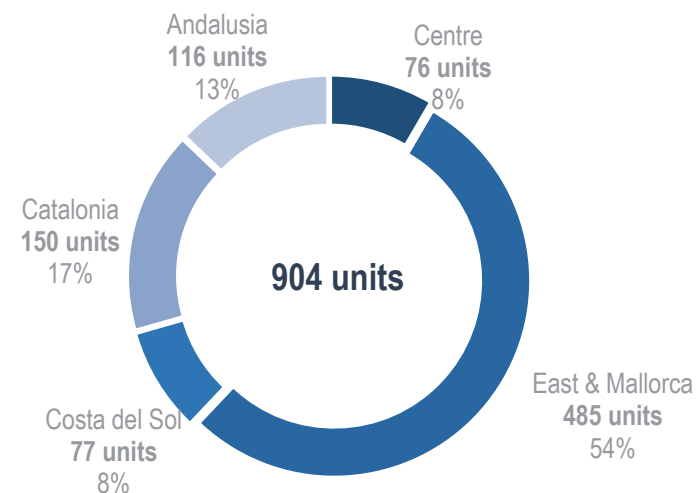
**904 units** w/ permit granted in Q1 2019/ **3,831 total units** w/ permit granted

## Under Construction # units

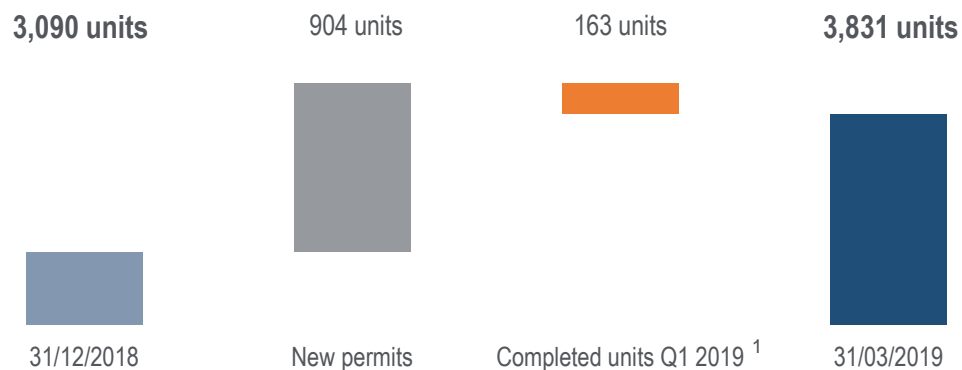


## Permits Granted in Q1 2019 by regions

% units



## Permits Granted # units



(1) Units which have received FCC in Q1 2019, irrespective of delivery.



# 2019 Deliveries Focus (31.03.19)

FCC

Final Construction Certificate

FOP

First Occupancy Permit

01 BUSINESS UPDATE

Project	Regional Office	Construction Progress <sup>1</sup>	FCC	FOP	Target Deliveries 2019	Deliveries Q1 2019	Current expected delivery date
Galera Sun Bay	Costa del sol	100%	Granted	Granted	5	5	H1
Brisas del Arenal	East and Mallorca	100%	Granted	Granted	11	5	H1
Hacienda del Mar 2	East and Mallorca	100%	Granted	Granted	4	2	H1
Nou Eixample Mar	Catalonia	100%	Granted	Granted	58	45	H1
Jardines Hacienda Rosario	Andalucia	100%	Granted		79		H1
Villas de Arco Norte	Andalucia	100%	Granted		50		H1
Ramón y Cajal	Andalucia	97%	May-19		54		H2
Terrazas de Los Fresnos I	Centre	95%	May-19		30		H2
Villas de Arco Norte II	Andalucia	87%	Jun-19		62		H2
Merian	Centre	73%	Jun-19		10		H2
Jardines Hacienda Rosario	Andalucia	84%	Jun-19		63		H2
New Folies	East and Mallorca	90%	Jun-19		36		H2
Dampier	Catalonia	80%	Jul-19		26		H2
Torre Estronci 99	Catalonia	86%	Jul-19		55		H2
Marina Real	East and Mallorca	83%	Jul-19		80		H2
Tasman	Catalonia	74%	Aug-19		30		H2
Humboldt	Catalonia	67%	Aug-19		93		H2
Altos de La Reserva	Centre	71%	Sep-19		11		H2
Escalonia I	Centre	75%	Sep-19		60		H2
Altos del Pilar	Centre	73%	Sep-19		60		H2
Ulloa	Centre	72%	Sep-19		54		H2
Villas de Arco Norte F3	Andalucia	71%	Sep-19		27		H2
Altos de Los Fresnos	Centre	72%	Oct-19		35		H2
Vanian Green Village	Costa del sol	65%	Oct-19		72		H2
<b>Total</b>					<b>1,065</b>	<b>57</b>	

Please refer to Appendix 1 for further detail on Deliveries Visibility

(1) Progress in terms of time schedule

# Margin outlook positive due to proactive management

HPA and CCI margin impact on projects under construction (all data as of Mar19):

**3,862 units**

Including all units which are delivered, completed or under construction as of **March 2019**.

GDV: **€1,372 Mn**

ASP: **€355 k/unit**

	IPO Business Plan	Mar 2019	
<b>Gross Margin</b>	27.8%	29.2%	→ + 140 bps
	€360.3 Mn	€400.0 Mn	→ + €39.7 Mn

+ 11%

**Margin accretive strategy:** 38% of 3,862 units as of March 2019 yet to be sold, subject to capturing further HPA

# Strong relationships with construction companies

**Concentration of plots** in certain locations ensures long-term continuity in these relationships  
**Decentralized execution** with experienced in-house regional teams – allowing for **close monitoring**



Current committed order book for projects under construction	<b>€464 Mn</b>
Top 10 contractors	<b>61%</b>
Average total contract value awarded to Top 10 contractors	<b>€10 Mn</b>
Average number of projects awarded to Top 10 contractors	<b>c. 3 Projects</b>



Currently working with a shortlist of c. **30 pre-approved construction companies** included in tender process, guaranteeing diversification, all of which pass the following criteria:

- ✓ Financial solvency
- ✓ Proven track record
- ✓ Share long-term company vision

# Land acquisitions in Q1 2019

## Acquisitions in Q1 2019



## Avg. Cost per unit

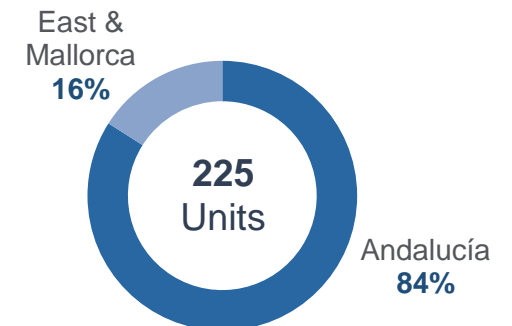


## Landbank<sup>1</sup>

# units



## Q1 2019 Acquisitions Breakdown by Region



(1) Third party appraisal approach to estimate number of units may vary from company approach. Estimated number of units may vary in time due to differences between maximum land buildability and final product definition. Buildable surface remains constant

# Turn-key rental projects

MoU signed with funds managed by an affiliate of **ARES Management Corporation** (NYSE: ARES):  
+20% launches on top of target launches expected for 2019



**Torrejón de Ardoz**  
1<sup>st</sup> Development (103 units)

**Forward purchase agreement**

MoU signed for 500 units: **€71.5 Mn**  
Expected delivery: **2021/2022**



**Rental business:**  
Non-competing  
strategy with AEDAS'  
build-to-sell

## AEDAS Homes' Unique Value Proposition

### LOCATION

- ✓ **Significant presence**, allowing for consolidation
- ✓ **Adding value** to surrounding land plots

### Business Plan DE-RISKING

- ✓ Eliminating **comercial risk** and **marketing costs**
- ✓ Developing plots scheduled for post-2023

### FINANCIAL RATIONALE

- ✓ Favouring **ROCE**
- ✓ Bringing forward **cash-flow**
- ✓ Mitigating **construction cost inflation**

### RENTAL

- ✓ **Build-to-rent** will not compete directly with **build-to-sell**

# Agenda



Marina Real,  
Denia

1 Business Update

2 Q1 2019 Financial Results



AEDAS HOMES		Q1 2019		Q1 2018		Variation	
In € Mn <sup>1</sup>						€ Mn <sup>1</sup> %	
	REVENUE	14.0	9.0	5.0	55%		
	Cost of Goods Sold	(10.1)	(6.1)	(4.0)	66%		
<b>A</b>	<b>GROSS MARGIN</b>	<b>3.9</b>	<b>2.9</b>	<b>1.0</b>	<b>34%</b>		
	% Gross Margin	<b>27,7%</b>	<b>32,0%</b>	<b>(4,3%)</b>	<b>-13%</b>		
<b>B</b>	Marketing and Sales commissions	(1.5)	(1.3)	(0.2)	15%		
	Other expenses related to developments & Taxes	(0.3)	(0.2)	(0.1)	50%		
<b>C</b>	<b>NET MARGIN</b>	<b>2.1</b>	<b>1.4</b>	<b>0.7</b>	<b>50%</b>		
	% Net Margin	<b>14,9%</b>	<b>15,4%</b>	<b>(0,5%)</b>	<b>-3%</b>		
<b>D</b>	Overheads	(5.3)	(3.9)	(1.4)	36%		
	Other operating income & expenses	0.1	-	-	-		
	Inventory Impairment losses /Gains	-	-	-	-		
	EBITDA	(3.1)	(2.5)	(0.6)	24%		
	Depreciation and Amortization	(0.3)	(0.1)	(0.2)	200%		
<b>E</b>	Financial Results	(1.2)	(0.4)	(0.8)	200%		
	EBT	(4.6)	(3.0)	(1.6)	53%		
	Corporate tax	1.1	0.7	0.4	57%		
<b>F</b>	<b>NET INCOME</b>	<b>(3.4)</b>	<b>(2.3)</b>	<b>(1.1)</b>	<b>48%</b>		
	% Net Income	-	-	-	-		
	Minority interests	-	(0.1)	-	-		
	Net income attributable to the Parent company	(3.4)	(2.2)	(1.2)	55%		

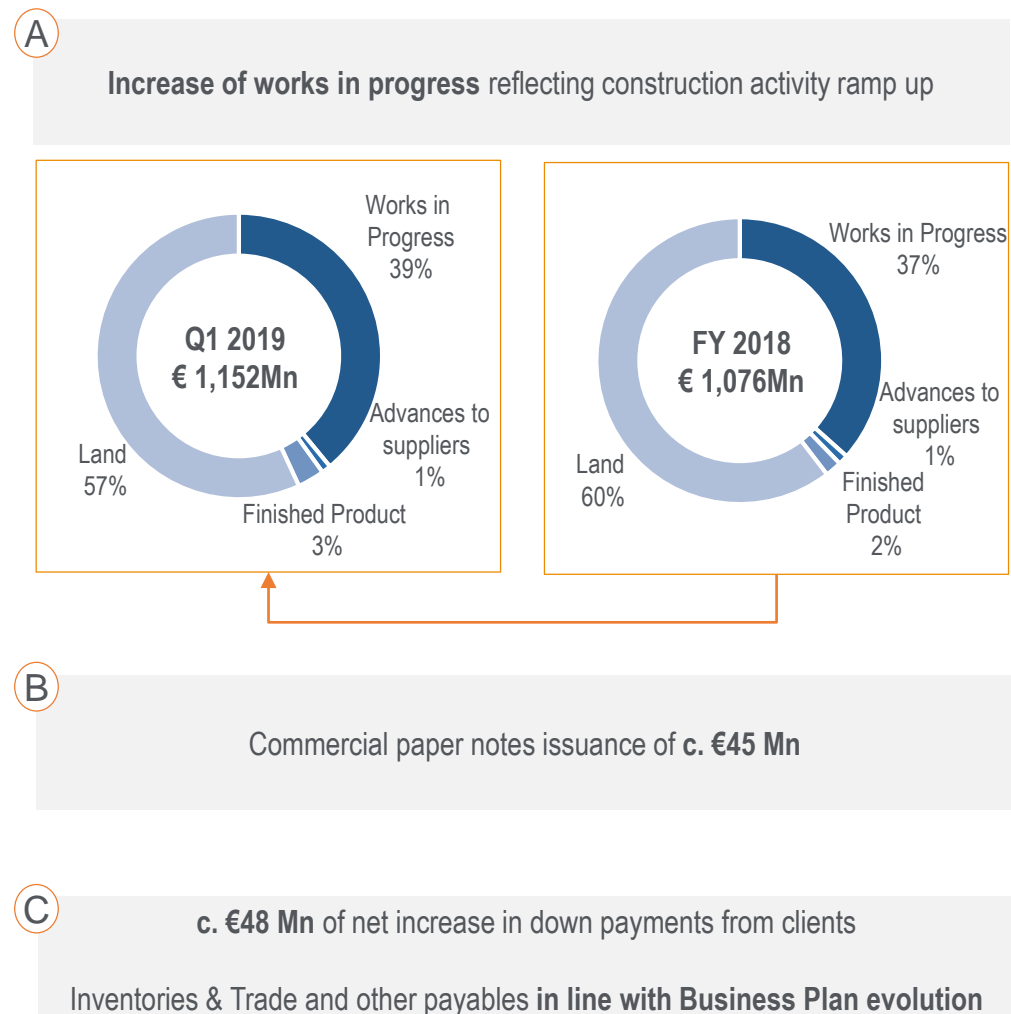
<b>A</b>	Revenue derived solely from the delivery of residential units 34% Gross Margin growth Q-o-Q
<b>B</b>	Marketing and other expenses corresponding to all sites launched
<b>C</b>	50% Net Margin growth Q-o-Q
<b>D</b>	Overheads. Headcount Q1: 191 (vs. 176 at FY18)
<b>E</b>	Financial Results reflecting working capital needs and Syndicated Facility withdrawn
<b>F</b>	Net income in line with Business Plan forecast

# Balance Sheet Structure

02 Q1 2019 FINANCIAL RESULTS

AEDAS Homes In € Mn <sup>1</sup>	31/03/2019	31/12/2018	Variation € Mn <sup>1</sup>	Variation %
<b>NON-CURRENT ASSETS</b>	<b>31</b>	<b>27</b>	<b>4</b>	<b>15%</b>
<b>A</b> Inventories	1,152	1,076	76	7%
Trade and Other Receivables	46	42	4	10%
Short Term Accruals	15	8	7	88%
Cash and Equivalents	85	109	(24)	-22%
<b>CURRENT ASSETS</b>	<b>1,298</b>	<b>1,235</b>	<b>63</b>	<b>5%</b>
<b>TOTAL ASSETS</b>	<b>1,329</b>	<b>1,262</b>	<b>67</b>	<b>5%</b>
<b>EQUITY</b>	<b>933</b>	<b>935</b>	<b>(2)</b>	<b>-</b>
Long Term Financial Borrowings	57	58	(1)	-2%
Other Long Term Borrowings	3	1	2	200%
<b>NON-CURRENT LIABILITIES</b>	<b>60</b>	<b>59</b>	<b>1</b>	<b>2%</b>
Provisions	2	1	1	100%
<b>B</b> Short Term Financial Borrowings	110	92	18	20%
Other Short Term Borrowings	4	3	1	33%
<b>C</b> Trade and other payables	220	172	48	28%
<b>CURRENT LIABILITIES</b>	<b>336</b>	<b>268</b>	<b>68</b>	<b>25%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,329</b>	<b>1,262</b>	<b>67</b>	<b>5%</b>

## Main Balance Sheet Changes



Source: Company Financial Statements.  
(1) Differences due to rounding errors.

Total Net Debt of **€134 Mn**

## Net Debt Position (€ Mn)

	Mar 2019	Dec 2018
Secured Financial Debt	64.0	57.1
Unsecured Financial Debt	106.1	94.9
Other Financial Debt	1.5	1.7
<b>Gross Financial Debt</b>	<b>171.7</b>	<b>153.8</b>
Available Cash	38.0	60.5
<b>Net Debt (Net Cash)</b>	<b>133.7</b>	<b>93.3</b>
<i>Total Cash</i>	<i>85.3</i>	<i>103.0</i>
<i>Deferred Land Payments</i>	<i>9.3</i>	<i>9.3</i>
LTC <sup>1</sup>	12%	9%
LTV <sup>2</sup>	7%	5%

(1) LTC: Calculated as Net Financial Debt divided by inventory carrying cost, excluding land prepayments

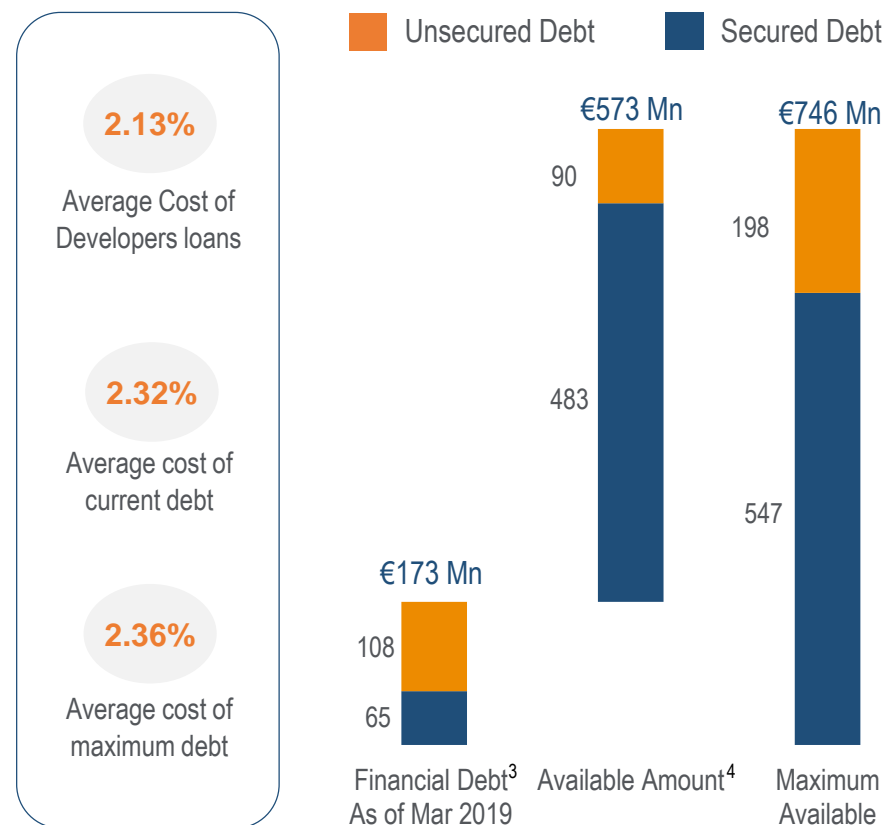
(2) LTV: Calculated as Net Financial Debt divided by total GAV

(3) Difference due to accountancy treatment

(4) Development Loan WIP land tranche subject to WIP evolution

Diversified sources of funding at competitive cost

## Financial Debt Structure (€ Mn)






## Appendix 1: Deliveries visibility

**AEDAS**  
HOMES

# 2019 Expected Deliveries

Target	1,055
Under construction	100%
Sold <sup>2</sup>	83%

Project <sup>1</sup>	Regional Office	Municipality	Total Units	Deliveries Q1 2019	Construction Progress <sup>2</sup>	Sold <sup>3</sup>	Current expected delivery date
Terraza Los Fresnos	Centre	Boadilla del Monte	30		95%	30	H2
Ulloa I		Alcorcón	54		72%	54	H2
Escalonia		Las Rozas	60		75%	59	H2
Altos del Pilar <sup>3</sup>		Madrid	60		73%	60	H2
Altos de Los Fresnos		Boadilla del Monte	35		72%	25	H2
Altos de la Reserva		Boadilla del Monte	11		71%	8	H2
Merian I			Torrejón de Ardoz	10		73%	9
Nou Eixample Mar <sup>4</sup>	Cataluña	Vilanova i la Geltrú	58	45	100%	57	H1
Estronci 99		Hospitalet de Llobregat	55		86%	52	H2
Humboldt		Vilanova i la Geltrú	93		67%	77	H2
Tasman		Sant Just Desvern	30		74%	22	H2
Dampier		Masnou	26		80%	11	H2
Galera Sun <sup>3</sup>	Costa del Sol	Estepona	5	5	100%	5	H1
Vanian Green Village		Estepona	72		65%	45	H2
Villas Arco Norte F1	Andalucía	Dos Hermanas	50		100%	48	H1
Jardines H. Rosario I		Sevilla	79		100%	77	H1
Ramón y Cajal		Sevilla	54		97%	28	H2
Villas Arco Norte F2		Dos Hermanas	62		87%	38	H2
Jardines H. Rosario II		Sevilla	63		84%	44	H2
Villas Arco Norte F3		Dos Hermanas	27		71%	4	H2
Hacienda del Mar II <sup>4</sup>		Alicante	4	2	100%	4	H1
Brisas del Arenal <sup>4</sup>	East & Mallorca	Jávea	11	5	100%	9	H1
New Folies		Andratx	36		90%	31	H2
Marina Real <sup>4</sup>		Denia	80		83%	77	H2
<b>Total</b>			<b>1,065</b>	<b>57</b>		<b>874</b>	

(1) Projects may be moved backwards or forwards in terms of expected delivery dates for scheduling purposes

(2) Progress in terms of time schedule

(3) Sales = Reservations + Contracts + Deliveries

(4) This Project will be delivered over two years

All % calculations made against Business Plan target (1,055)

# 2020 Expected Deliveries

Target	1,986	Permit granted	100%
Under construction	100%	Permit requested	0%
Sold <sup>2</sup>	55%	Permit to be requested	0%

Project <sup>1</sup>	Regional Office	Municipality	Total Units	Deliveries	Construction Permit	Status	Sold <sup>2</sup>
Altos del Pilar <sup>3</sup>	OFFSITE	Madrid	40		Granted	Construction	36
Cabot		Madrid	28		Granted	Construction	20
Merian II		Torrejón de Ardoz	18		Requested	Design	0
Ulloa II		Alcorcón	54		Granted	Construction	48
Escalonia II		Las Rozas	150		Granted	Construction	107
Lángara		Torrejón de Ardoz	100		Granted	Construction	59
Piteas		Pozuelo de Alarcón	48		Granted	Construction	26
Terraza Los Fresnos II		Boadilla del Monte	98		Granted	Construcción	52
Fineo		San Sebastián de los Reyes	56		Granted	Construction	29
Orellana		Alcalá de Henares	74		Granted	Construction	20
Ulloa III	OFFSITE	Alcorcón	54		Granted	Construction	4
Merian III		Torrejón de Ardoz	26		Requested	Design	0
Cook		Hospitalet de Llobregat	62		Granted	Construction	47
Orpí		Masnou	36		Granted	Construction	25
J.Castellarnau (F1,F2&F3)		Sabadell	138		Granted	Construction	83
Tasman II		Sant Just Desvern	35		Granted	Construction	18
Estronci 93		Hospitalet de Llobregat	71		Granted	Construction	36
Bonpland		Vilanova i la Geltrú	40		Granted	Construction	11
Hannon		Sant Adrià de Besós	40		Granted	Construction	0

(1) Projects may be moved backwards or forwards in terms of expected delivery dates for scheduling purposes

(2) Sales = Reservations + Contracts + Deliveries

(3) This Project will be delivered over the period of two years, w/ total of 100 units: 60 in 2019 and 40 in 2020

All % calculations made against Business Plan target (1,986)



# 2020 Expected Deliveries

Target	1,986	Permit granted	100%
Under construction	100%	Permit requested	0%
Sold <sup>2</sup>	55%	Permit to be requested	0%

Project <sup>1</sup>	Regional Office	Municipality	Total Units	Deliveries	Construction Permit	Status	Sold <sup>2</sup>
South Bay	Costa del Sol	Estepona	47		Granted	Construction	36
Middel Views		Fuengirola	84		Granted	Construction	57
Zagaleta 2		Benahavis	1		Granted	Construction	0
South Bay II		Estepona	30		Granted	Construction	10
Kane		Málaga	87		Granted	Construction	21
Vanian Green Village II		Estepona	92		Granted	Construction	4
Acosta M3	Andalucía	Sevilla	24		Granted	Construction	10
Armstrong Cisneo (F1&F2)		Sevilla	120		Granted	Construction	82
Jardines H. Rosario F3 y F4		Sevilla	142		Granted	Construction	12
Carreres 10	East & Mallorca	Valencia	59		Granted	Construction	47
New Follies		Andratx	5		Granted	Construction	0
Hevia F1		Valencia	73		Granted	Construction	59
Hevia F2		Valencia	73		Granted	Construction	42
Bremond Son Moix		Palma de Mallorca	35		Granted	Construction	19
Doria 6		Palma de Mallorca	40		Granted	Construction	21
Azara		Alicante	86		Granted	Construction	43
<b>Total</b>			<b>2,166</b>	<b>1,986</b>			<b>1,084</b>

(1) Projects may be moved backwards or forwards in terms of expected delivery dates for scheduling purposes

(2) Sales = Reservations + Contracts + Deliveries

All % calculations made against Business Plan target (1,986)



# Appendix 2: Cash Flow Statement



# Cash Flow Statement Summary

Summary Cash Flow Statement AEDAS HOMES (In € Mn <sup>1</sup> )	Mar 2019	Dec 2018
EBT	(4.6)	(8.1)
Change in Trade Provisions	2.0	3.0
Change in Investment properties	(0.3)	(0.5)
Financial cost / (income)	4.4	9.6
Other Income / (expense)	(3.3)	(6.4)
<b>Change in working capital</b>	<b>(32.6)</b>	<b>(142.9)</b>
<i>Inventories</i>	<i>(72.1)</i>	<i>(185.3)</i>
<i>Trade and other receivables</i>	<i>(4.8)</i>	<i>5.5</i>
<i>Trade and other payables</i>	<i>44.4</i>	<i>37.8</i>
<i>Other operating cash flows</i>	<i>(0.1)</i>	<i>(0.9)</i>
<b>Net cash flow from operating activities</b>	<b>(37.9)</b>	<b>(157.3)</b>
<b>Net cash flow from investment activities</b>	<b>(0.5)</b>	<b>(5.9)</b>
<b>Net cash flow from financing activities</b>	<b>20.8</b>	<b>93.7</b>
<b>Net cash increase / (decrease)</b>	<b>(17.7)</b>	<b>(69.5)</b>
Cash BoP	103.0	172.4
<b>Cash EoP</b>	<b>85.3</b>	<b>103.0</b>
<b>Available Cash</b>	<b>38.0</b>	<b>60.5</b>

Source: Company Financial Statements.  
(1) Differences due to rounding errors.

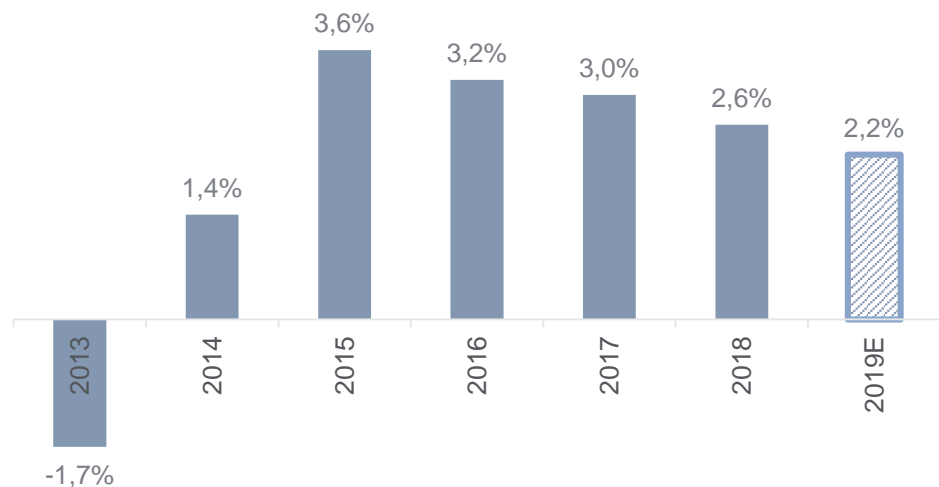


# Appendix 3: Macro Outlook



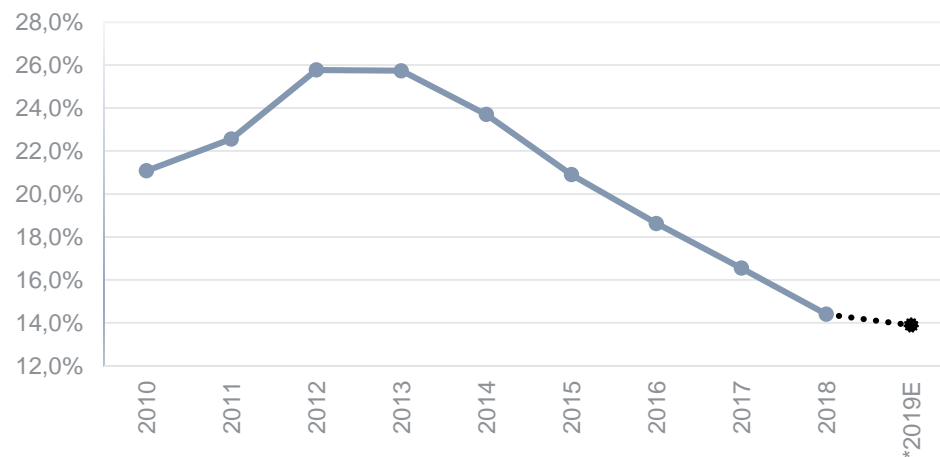
# Market Overview

## Positive Outlook for Spanish Economy (GDP %)



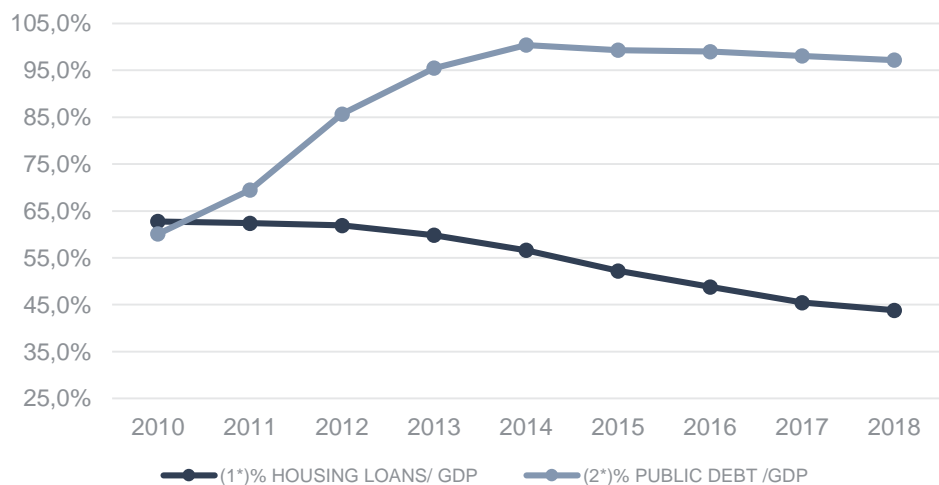
Source: Datos Macro & Bank of Spain

## Spanish Unemployment Rate (%)



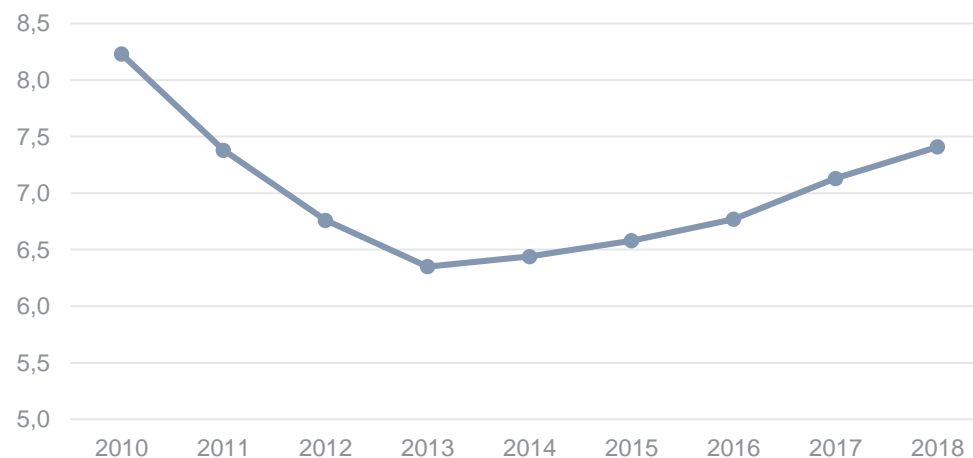
Source: INE & Funcas

## Debt to GDP (%)



Source: (1\*) Bank of Spain & (2\*) Datos Macro

## House Prices/ Disposable Income per Household



Source: Bank of Spain



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